

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

RIPPLE LABS, INC., BRADLEY GARLINGHOUSE, and
CHRISTIAN A. LARSEN,

Defendants,

and

JORDAN DEATON, JAMES LAMONTE,
TYLER LAMONTE, MYA LAMONTE,
MITCHELL MCKENNA, KRISTIANA WARNER and
ALL SIMILARLY SITUATED XRP HOLDERS,

Proposed
Intervenor-Defendants.

**20-cv-10832 (AT) (SN)
(S.D.N.Y.)**

DECLARATION OF JOHN E. DEATON

I, John E. Deaton, hereby declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the following is true and correct:

1. I am an attorney admitted to practice before this Court *pro hac vice* and the managing partner of The Deaton Law Firm, LLC., and I am counsel to Proposed Intervenor-Defendants in the above-captioned action.
2. I respectfully submit this declaration in support of the Proposed Intervenor-Defendants' Motion to Intervene.
3. Proposed Intervenor-Defendants, collectively referred to as "XRP Holders," are comprised of individuals, developers, organizations, and businesses that have purchased, acquired, and/or utilized the digital asset XRP. As holders and users of XRP,

they have a direct interest in the property at issue in this matter. Their interests are not adequately represented by the U.S. Securities and Exchange Commission, Ripple Labs, Inc., or its two executives.

4. More than 12,600 XRP holders and users, many of whom had never heard of Ripple or its two executives prior to the filing of this enforcement action, have contacted me seeking representation of their interest in this matter.
5. On January 1, 2021, nine days after the U.S. Securities and Exchange Commission filed its de facto Complaint against XRP Holders, the Proposed Intervenor-Defendants filed a Petition for Writ of Mandamus in Rhode Island Federal District Court. In their Writ of Mandamus, Intervenors sought relief against the U.S. Securities and Exchange Commission that is not being sought in this Motion to Intervene and will not be sought during the pendency of this action.
6. On March 5, 2021, the U.S. Securities and Exchange Commission filed a Motion to Dismiss the XRP Holders' Petition for Writ of Mandamus, citing this Courts' exclusive jurisdiction over the matter.
7. Acknowledging this Courts' exclusive jurisdiction over this matter, on March 12, 2021, XRP Holders withdrew their Petition for Writ of Mandamus; and subsequently, on March 14, 2021, I filed an initial Motion to Intervene (ECF No. 65) in the above-captioned case on behalf of XRP Holders.
8. On March 15, 2021, XRP Holders' Motion to Intervene was denied without prejudice (ECF No. 68) and XRP Holders were instructed to file a pre-motion letter in accordance the Court's Individual Practices.

9. Attached hereto as Exhibit A is a true and correct copy of XRP Holders' Proposed Answer to Plaintiff's First Amended Complaint pursuant to Fed. R. Civ. P. 24(c).
10. Attached hereto as Exhibit B is a true and correct copy of Gary Gensler Video Clip: *Gary Gensler at Peterson Institute for International Economics*, September 26, 2018, available at <https://youtu.be/v0zAadukczY>.
11. Attached hereto as Exhibit C is a true and correct copy of William Hinman, *Digital Asset Transformations: When Howey Met Gary (Plastic)*, Remarks at the Yahoo Finance All Markets Summit: Crypto (June 14, 2018), available at <https://www.sec.gov/news/speech/speech-hinman-061418>.
12. Attached hereto as Exhibit D is a true and correct copy of Giancarlo's Cryptocurrencies and U.S. Securities Laws: Beyond Bitcoin and Ether (June 17, 2020), available at <https://www.iflr.com/article/b1m2pm9g4n65mk/cryptocurrencies-and-us-securities-laws-beyond-bitcoin-and-ether>
13. Attached hereto as Exhibit E is a true and correct copy of Jay Clayton's letter to Representative Ted Budd (March 7, 2019), available at <https://4actl02jlq5u2o7ouqlymaad-wpengine.netdna-ssl.com/wp-content/uploads/2019/03/Budd-et-al-Digital-Tokens-ES157408-Response-002.pdf>
14. Attached hereto as Exhibit F is a true and correct copy of an excerpt of Bailard, Inc.'s Code of Ethics (January 1, 2020) available at <https://www.sec.gov/Archives/edgar/data/1048702/000119312520041614/d880706dex9928p9.htm>.
15. Attached hereto as Exhibit G is a true and correct copy of an article discussing the Grundfest Letter, *Former SEC Commissioner Says Ripple Lawsuit Will Cause 'Multi-*

Billion Dollar Losses to Innocent Third Parties, ' (December 23, 2020), available at <https://www.theblockcrypto.com/linked/89164/former-sec-commissioner-says-ripple-lawsuit-will-cause-multi-billion-dollar-losses-to-innocent-third-parties>.

16. Attached hereto as Exhibit H is a true and correct copy of Hester Peirce's Thinking Crypto Interview, *Hester Peirce Interview-The SEC & US Crypto Regulations, Bitcoin ETF, Gary Gensler, Ripple*, (March 9, 2021), available at https://youtu.be/_qihfMbIk_g
17. Although I have received thousands of emails, attached hereto as Exhibit I is a true and correct copy of a very small but fair representation of correspondence from various XRP Holders demonstrating use cases of XRP that are independent from the efforts of the Defendants. Many of these use cases take place daily without Defendants' knowledge.
18. XRP Holders also contact me via Twitter. Attached hereto as Exhibit J is a true and correct copy of a very small but fair representation of correspondence from various XRP Holders demonstrating use cases of XRP that are independent from the efforts of the Defendants. Many of these use cases take place daily without Defendants' knowledge.
19. Attached hereto as Exhibit K is a true and correct copy of cryptwerk *XRP Directory*, available at <https://cryptwerk.com/pay-with/xrp/>
20. Attached hereto as Exhibit L is a true and correct copy of NEXO's *Instant Crypto Credit Lines*, available at <https://nexo.io/borrow>

21. Attached hereto as Exhibit M is a true and correct copy of several known companies and applications using XRP, *XRP Ecosystem*, available at <https://www.xrparcade.com/xrpecosystem/>
22. Attached hereto as Exhibit N is a true and correct copy of an excerpt of XRP Ledger's Introduction to XRP, *XRP*, available at <https://xrpl.org/xrp.html>
23. Attached hereto as Exhibit O is a true and correct copy of *SpendtheBits' Unique Features*, available at <https://spendthebits.com/#feature>
24. Attached hereto as Exhibit P is a true and correct copy of Olumide Adesina, *Major reasons why XRP is Better than Bitcoin*, (September 17, 2020), available at <https://nairametrics.com/2020/09/17/major-reasons-why-xrp-is-better-than-bitcoin/>.
25. Attached hereto as Exhibit Q is a true and correct copy of *XRP Is The Fastest Way to Send Bitcoin. There is Proof*, (August 4, 2019), available at <https://thexrpdaily.com/2019/08/04/xrp-is-the-fastest-way-to-send-bitcoin-there-is-proof/>.
26. Attached hereto as Exhibit R is a true and correct copy of *XRP Use Cases To Explode With DeFi Crypto Integration*, Says Wanchain CEO, (April 13, 2021), available at <https://dailyhodl.com/2021/04/13/xrp-use-cases-explode-with-defi-crypto-integration/>
27. Attached hereto as Exhibit S is a true and correct copy of Lael Brainard, *Cryptocurrencies, Digital Currencies, and Distributed Ledger Technologies: What Are We Learning?*, (May 15, 2018), available at <https://www.federalreserve.gov/newsevents/speech/brainard20180515a.htm>
28. Attached hereto as Exhibit T is a true and correct copy of *Max Yakubowski Is Bitcoin a Store of Value? Experts on BTC as Digital Gold*, (July 29, 2019), available at

<https://www.google.com/amp/s/cointelegraph.com/news/is-bitcoin-a-store-of-value-experts-on-btc-as-digital-gold/amp>.

29. Attached hereto as Exhibit U is a true and correct copy of my remarks in the FXStreet Interview, *FXStreet, SEC v. Ripple: Exchanges that relist XRP would not violate securities regulation*, (Mar. 22, 2021), available at <https://www.fxstreet.com/cryptocurrencies/news/sec-v-ripple-exchanges-that-relist-xrp-would-not-violate-securities-regulation-202103221036>

Executed on April 19, 2021, in East Providence, Rhode Island.

Respectfully Submitted,

/s/John E. Deaton

John E. Deaton